Agri-News

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HIGHLIGHTS
October Layers & Eggs
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October Layers and Egg Production

Iowa: Egg production in Iowa for October 2003 was 932 million eggs, up almost 7 percent from the same period a year ago. The total number of layers on hand during October 2003 was 39.3 million, up 4 percent from 37.9 million layers in October 2002. Eggs per 100 layers for the month of October was 2,369, up from 2,292 eggs the previous year.

United States: U.S. egg production totaled 7.39 billion during October 2003, down slightly from last year. Production included 6.34 billion table eggs and 1.06 billion hatching eggs, of which 1.00 billion were broiler-type and 57.0 million were egg-type. The total number of layers during October 2003 averaged 333 million, down 1 percent from a year earlier. October egg production per 100 layers was 2,218 eggs, up one percent from October 2002.

October 2003 and October 2002 both contained 23 weekdays, one holiday, and four Saturdays.

All Layers and Egg Production, October 2002 and 2003[1]

State	Table Egg Layers in Flocks 30,000 and Above		All layers on hand[2]		Eggs per 100 layers[2]		Egg production by type: Total production		Table eggs[3]		Hatching eggs[3]	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
	Thousands				Number		Million eggs					
AR	4,699	4,293	14,667	14,778	1,868	1,929	274	285	103	97	171	188
CA	23,021	19,088	23,664	19,622	2,214	2,263	524	444				
GA	10,979	11,138	20,330	20,200	2,105	2,139	428	432	249	259	179	173
IN	22,519	21,702	23,242	22,396	2,298	2,259	534	506	521	493	13	13
IA	37,063	38,572	37,876	39,344	2,292	2,369	868	932				
MN	10,747	10,285	11,467	10,880	2,259	2,206	259	240	250	232	9	8
NE	11,556	11,698	11,656	11,798	2,248	2,297	262	271	262	271	0	0
NC	3,368	3,416	10,725	10,576	1,977	1,995	212	211	81	83	131	128
OH	30,174	28,479	30,647	28,969	2,144	2,171	657	629				
PA	22,444	22,709	23,727	24,009	2,348	2,303	557	553	543	539	14	14
TX	14,252	14,196	18,651	18,454	2,214	2,146	413	396				
30 Sts[4]	259,156	253,758	316,743	310,944	2,190	2,219	6,938	6,900	5,957	5,926	981	974
U.S.	274,856	270,346	338,159	333,251	2,192	2,218	7,412	7,392	6,345	6,335	1,067	1,057

[1]2003 preliminary, 2002 revised. [2]Includes all layers and eggs produced in both table egg and hatching egg flocks regardless of size. [3]Data by type of flock not shown for some states to avoid disclosing individual operations. [4]The 30 States are those listed as well as AL, CO, CT, FL, HI, IL, ME, MD, MI, MS, MO, NY, OK, OR, SC, SD, VA, WA, and WI.

ECONOMIST CORNER

Livestock by John Lawrence and Grains by Robert Wisner

Iowa Cooperative Extension Service - Ames

LIVESTOCK

In spite of approximately 5 percent more slaughter hogs than expected, 4th quarter hog prices have held up reasonably well. Prices for the average hog reported by USDA have averaged over $38 through early December. This is below cost of production for most producers, but well ahead of last year's price of near $31 for the same period. The hog market should begin a seasonal price increase into mid-February. Typically prices increase 10 percent from December to February. The market will be watching the December Hogs & Pigs report closely for upward revisions in inventories as slaughter has been significantly larger than the September report predicted.

Cattle prices continue to weaken from their record highs set in mid-October. Seasonally, prices typically peak in mid-April, but several factors will work to counter that trend this year. Placements have been larger each month since June resulting in the November Cattle on Feed inventory being larger than the year before for the first time since April 2002. Weights that have been well below 2002 levels will begin to move closer to year earlier levels due to reduced slaughter rates. More cattle and increasing weights will move available supplies higher than they have been relative to the year before. At the same time, demand that has been very strong will begin to weaken as consumers look for lower cost alternatives and packers tire of operating in red ink. First quarter prices are forecast to average in the mid-to-upper $80s with low-to-mid $80s in the second quarter.

GRAIN

Corn export sales remain modestly above the pace needed to reach official marketing year projections and should support corn prices into mid-winter. Modestly higher prices are possible at times, as the grain trade responds to reports and rumors of possible reduced Chinese exports. Through early December, cumulative U.S. export sales were 27 percent above a year earlier. Official projections indicate marketing year total exports will be up 21 percent from the previous year. Unlike soybeans, the large corn crop will be able to accommodate moderately larger than expected corn exports if sales patterns of the last few months continue. Important market indicators to watch include the Thursday morning Export Sales reports and the last crop production report for 2003 crops, due out January 12. In the export sales report, U.S. sales to South Korea will be an important indicator of whether China is reducing its corn exports. South Korea is China's largest export market. Through early December, U.S. corn export sales to South Korea were above a year earlier by a very minor 1.8 million bushels.

The projected stocks-to-use ratio for U.S. soybeans on August 31, 2004 is one of the lowest in many years. The small supply leaves little room for larger-than-projected exports. Because of tight supplies, U.S. soybean exports for the marketing year will need to be down at least 15 percent from last season. Export sales through early December were up 13 percent. The sales pace has slowed some in recent weeks, but will have to drop sharply below a year earlier during the February-August period because of short supplies. South American crop prospects looked good in early December, although dry weather in the western part of Argentina's corn/soybean belt had trimmed yield prospects slightly. Brazil's crop looked good, but possible impacts from Asian rust remained a question mark.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA Nov.[1] 2002	IOWA Oct.[1] 2003	IOWA Nov.[2] 2003	U.S. Oct.[1] 2003	U.S. Nov.[2] 2003
		Dollars				
Corn	bu	2.22	2.05	2.15	2.12	2.24
Oats	bu	1.83	1.76	1.55	1.44	1.37
Soybeans	bu	5.40	6.62	7.45	6.61	7.37
Alfalfa, baled	ton	83.00	81.00	85.00	88.80	88.00
All hay, baled	ton	79.00	81.00	81.00	84.40	80.70
All hogs	cwt	27.80	34.80	33.50	36.80	34.80
Sows	cwt	23.60	33.70	32.50	30.90	30.00
Bar. & Gilts	cwt	27.80	34.90	33.50	37.10	35.00
Beef Cattle	cwt	66.50	96.80	101.00	92.00	93.20
Cows	cwt	32.00	47.20	52.90	44.90	46.70
Strs & Hfrs	cwt	67.20	97.80	102.00	97.80	99.70
Calves	cwt	86.20	103.00	99.00	113.00	112.00
Milk cows[3]	hd	--	1,450	--	1,370	--
Milk (whls)	cwt	12.20	15.60	15.20	15.00	14.90
Sheep	cwt	34.00	38.00	--	34.80	--
Lambs	cwt	81.00	87.40	--	96.90	--
Eggs (mkt)	doz	.481	.623	.873	.703	.926

[1]Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. [2]All prices are mid-month. [3]Prices published January, April, July, and October.

Price Index Summary Table

Prices Received	IOWA Nov. 2002	IOWA Oct. 2003	IOWA Nov.[1] 2003	UNITED STATES Nov. 2002	UNITED STATES Oct. 2003	UNITED STATES Nov.[1] 2003
1990-92=100[2]						
Prices rec'd.	88	102	107	97	113	117
Crops	98	104	113	104	111	116
Lvstk Prods.	76	99	101	89	116	118
1910-14=100[3]						
Prices rec'd.	--	--	--	617	718	741
Crops	--	--	--	511	547	571
Lvstk Prods.	--	--	--	684	889	903

[1] Preliminary. [2] 1990-92=100 reference replaced 1977=100 in January 1995. [3] Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Nov. 2002	Oct. 2003	Nov. 2003	Nov. 2002	Oct. 2003	Nov. 2003
	1990-92=100			1910-14=100		
Prices paid[1]	125	130	130	1661	1725	1726
Feed	114	115	116	557	562	568
Ratio[2]	78	87	90	37	42	43

[1] Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. [2] Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.

November Farm Prices

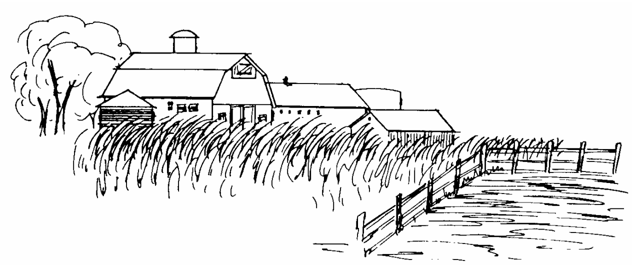
Prices Received Index Up 4 Points From Last Month

The preliminary All Farm Products Index of Prices Received by Farmers in November is 117, based on 1990-92=100, 4 points (3.5 percent) above the October Index. Both the Livestock and Products Index and the All Crops Index were higher in November. Producers received higher commodity prices for cattle, corn, soybeans, and wheat. Lower prices were received for cotton, hogs, and milk. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of all milk, cotton, cattle, and cottonseed offset decreased marketings of peanuts, soybeans, sunflowers, and potatoes.

This preliminary All Farm Products Index is up 20 points (20.6 percent) from November 2002. The Food Commodities Index increased 5 points (4.3 percent) above last month to 121, and is 25 points (26.0 percent) above November 2002. This index value is the highest since records began in 1975.

Prices Paid Index Unchanged

The November Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) is 130 percent of the 1990-92 average. The index is unchanged from October but 5 points (4.0 percent) above November 2002. Lower prices in November for feeder cattle, hay and forages, gasoline, and feeder pigs are offset by higher prices for feed grains, feed concentrates, feed supplements, and nitrogen fertilizers.



October Livestock Slaughter

Iowa: Commercial red meat production in Iowa during October 2003 totaled 615.2 million pounds, 6 percent greater than 2002. Cattle slaughter was 78,800 head compared with 64,300 in October 2002. The average live weight of cattle slaughtered was 1,230 pounds, down 57 pounds from October of last year. There were 2.8 million hogs slaughtered in October 2003, up 3 percent from October 2002. The average live weight of hogs slaughtered was 267 pounds, up 4 pounds from last year. October 2002 contained 23 weekdays (including one holiday) and four Saturdays. October 2003 consisted of the same.

Commercial Red Meat Production: United States[1]

Kind	Oct. 2002	Sep. 2003	Oct. 2003	Oct. 2003 as % of Oct. 2002	Oct. 2003 as % of Sep. 2003	January - October[2] 2002	January - October[2] 2003	January - October[2] 2003 as % of 2002
	- - - - - Million pounds - - - - -			Percent		- - - - Million pounds - - - -		Percent
Beef	2,512	2,312	2,211	88	96	22,820	22,483	99
Veal	18.7	15.4	16.4	87	106	161.0	157.7	98
Pork	1,831	*1,663	1,909	104	115	16,241	16,329	101
Lamb & mutton	19.7	16.9	18.0	91	106	181.8	165.1	91
Total red meat	4,382	4,008	4,154	95	104	39,404	39,134	99

[1]Based on packers' dressed weights and excludes farm slaughter. [2]Accumulated totals and percentages based on unrounded data. *Revised.

Monthly Marketings

Throughout the year, Iowa publishes monthly prices for corn, soybeans, oats, and hay. The table below is the percent of each crop marketed throughout the marketing year. These percents are the weights that will be used to establish a market year average price for these commodities.

Iowa Grain Marketings: Percent of Crop Year Total, By Months

Month	All Hay		Oats		Soybeans		Corn	
	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
June	4	11						
July	7	13	32	49				
August	5	5	29	30				
September	6	7	7	2	3	5	7	6
October	6	5	7	1	18	18	7	14
November	10	16	3		8	8	15	17
December	15	15	1	1	9	8	5	6
January	13	11	5	4	14	12	9	10
February	12	7	3	6	8	8	6	5
March	9	4	4	2	11	8	7	6
April	7	3	4	2	7	10	7	7
May	6	3	2	2	6	6	8	7
June			3	1	5	5	8	6
July					6	7	11	7
August					5	5	10	9

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